

Message Text

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ACTION SS-15

INFO OCT-01 ARA-10 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 USIA-06
AID-05 OES-07 OMB-01 TRSE-00 CEQ-01 EPA-01 EB-08
IO-13 ACDA-12 /107 W
-----111063 040811Z /13

R 032210Z MAR 78
FM AMEMBASSY LIMA
TO SECSTATE WASHDC 8995
INFO AMEMBASSY BOGOTA
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AMEMBASSY LA PAZ
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E.O. 11652: N/A
TAGS: TGEN, UNGA, ECIN
SUBJ: MULTILATERAL CONSULTATIONS ON ANDEAN PACT TECHNOLOGY
CENTERS

REF: ATE 043079, LIMA 1618, BOGOTA 1842, CARACS 1984

1. SUMMARY: PRESENT ANDEAN PACT PLANNING CALLS FOR
ESTABLISHMENT OF A SYSTEM OF IMPROVED INFORMATION EXCHANGE
BETWEEN EXISTING CENTERS RATHER THAN CREATION OF A NEW
SUBREGIONAL TECHNOLOGY CENTER. WE RECOMMEND THAT PROPOSED
ROUNDTABLE DISCUSSIONS BE POSTPONED UNTIL THE SYSTEM IS
AUTHORIZED AND THE U.S. INPUT IS CLARIFIED. END SUMMARY.

2. AS NOTED IN BOGOTA 1842 ANCOM REPS ARE MEETING HERE
THIS WEEK TO ATTEMPT TO FORMULATE A COMMON ANCOM POSITION
ON UNCSTD. ONCE A POSITION IS AGREED UPON, ANCOM WILL
SEEK TO SELL IT TO OTHER LA COUNTRIES AS A COMMON REGIONAL
POSITION LATER THIS SUMMER. EMBASSY WILL SEEK TO REPORT
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RESULTS WHEN MEETING IS COMPLETED.

3. ON MARCH 1 EMBOFF MET WITH DIRECTOR OF ANDEAN PACT
TECHNOLOGY DEPARTMENT LUIS SOTO KREBS (WHO IS COORDINATING
MEETING ON UNCSTD) TO DISCUSS REPORTS OF A PLANNED
ANDEAN TECHNOLOGY CENTER. SOTO ELABORATED ON HIS BASIC
PHILOSOPHY OF TECHNOLOGICAL DEVELOPMENT (LIMA 1618). HE

REAFFIRMED THE RESULTS OF ANCOM STUDIES OF THE EXPERIENCE OF JAPAN, ITALY, SPAIN, MEXICO, INDIA AND OTHERS THAT INSTITUTIONS (SUCH AS MINISTRIES OF TECHNOLOGY) FORMED TO CARRY OUT A TECHNOLOGICAL POLICY ARE RARELY SUCCESSFUL. SUCH POLICY IS REALLY MADE BY THE MINISTRIES, LARGE COMPANIES, AND FINANCIAL GROUPS WHO ARE THE CONSUMERS OR DEVELOPERS OF TECHNOLOGY. RATHER, SOTO WISHES TO SEE HIS DEPARTMENT INITIATE AND DEVELOP A SUBREGIONAL NET OF TECHNOLOGICAL INFORMATION USERS AND SOURCES. HIS DEPARTMENT EXPECTS TO COMPLETE A DRAFT PROPOSAL FOR SUCH A NET SYSTEM WITHIN THE NEXT MONTH AND TO PRESENT IT FOR FORMAL ADOPTION BY THE COMMISSION IN APRIL.

4. SOTO (AND PRESUMABLY MANY OF HIS COLLEAGUES) APPROACHES THE QUESTION OF TECHNOLOGY DEVELOPMENT FROM THE BASIC PREMISE THAT THE DEVELOPMENT OF THE COUNTRIES OF THE SUBREGION IS BEING SEVERELY HANDICAPPED BY THE EXCESSIVE COSTS OF IMPORTED TECHNOLOGY AND THE DISCOURAGEMENT OF LOCAL TECHNOLOGY THROUGH PATENTS, LICENSING, AND OTHER RESTRICTIONS. AMONG OTHER THINGS HE ATTRIBUTES THESE COSTS TO OVERPRICING BY TRANSNATIONALS. (IN A 1975 PAPER HE CLAIMS THAT THE AMOUNTS TRANSFERRED TO PARENT TRANSNATIONALS REPRESENT 24 TIMES THE PROFITS DECLARED BY FOREIGN FIRMS IN THE SUB-REGION.) READY ACCESS TO STANDARDIZED COMPUTER DATA ON COSTS OF PRIMARY GOODS, TERMS OF CONTRACTS, TERMS OF AGREEMENT ON CONVERSION TO NATIONAL STATUS, ETC. WOULD ALLEVIATE THE PRESENT LIMITED OFFICIAL USE

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DISADVANTAGE. IT WOULD ALSO CONTRIBUTE TO THE DESIRED DISAGGREGATION OF ACQUIRED TECHNOLOGY AND THE POLICING OF A REQUIREMENT FOR FOREIGN FIRMS TO EXPLOIT EXCLUSIVE RIGHTS WITHIN A GIVEN PERIOD OR LOSE THEM. THIS TYPE OF INFORMATION COULD BE READILY DISBURSED THROUGH A CONNECTED COMPUTER SYSTEM AND DOES NOT REQUIRE THE ESTABLISHMENT OF A NEW INSTITUTION. INFORMATION ON THE LATEST OR MOST APPROPRIATE PROCESSES, TOOLS, ETC., CAN MOST READILY AND INEXPENSIVELY BE OBTAINED AND UTILIZED BY PLACING THE PARTY SEEKING TECHNOLOGY IN DIRECT COMMUNICATIONS WITH LEADING SOURCES IN THE FIELD. (NOTE: THIS OPTIMAL SYSTEM DOES NOT TAKE ACCOUNT OF THE NATURAL SECRETIVENESS OF COMPETITORS.)

5. TO DATE THE PHILOSOPHY OF TECHNOLOGICAL DEVELOPMENT IN THE ANCOM HAS BEEN GIVEN CONCRETE FORM IN THE ANDEAN PROJECTS FOR TECHNOLOGICAL DEVELOPMENT (PADT), OF WHICH TWO (TROPICAL FORESTRY AND COPPER) ARE UNDERWAY AND A THIRD (FOODSTUFFS) WAS APPROVED BY THE ANCOM COMMISSION LAST WEEK. UNDER THE PADT CONCEPT A STEERING COMMITTEE IS SET UP TO OVERSEE SPECIFIC RESEARCH TASKS TO BE COMPLETED WITHIN A SPECIFIED PERIOD. IN THE CASE OF THE COPPER PADT THIS HAS INCLUDED ESTABLISHING AND

CONSTRUCTING A PILOT PLANT AT TOROMOCHO, PERU, TO DEMONSTRATE ALTERNATE METHODS OF EXTRACTING COPPER FROM LOW GRADE ORE. NONE OF THESE PADTS FORESEE THE ESTABLISHMENT OF A SUBREGIONAL CENTER. TWO MORE PADTS ARE ON THE DRAWING BOARD, ONE ON COAL AND THE OTHER ON APPROPRIATE RURAL TECHNOLOGY. A PROPOSAL ON THE LATTER IS SCHEDULED TO BE PRESENTED TO THE COMMISSION IN OCTOBER.

6. COMMENT: WE CONCUR IN THE VIEW EXPRESSED IN CARACAS 1984 THAT WE MAY BE MOVING TOO QUICKLY AND PUSHING ANCOM MEMBERS FOR INFORMATION ON, AND IN SEEKING TO WORK WITH, A SYSTEM THEY HAVE NOT YET FORMALLY ADOPTED. IN CONSIDERING EVENTUAL ROLE USG MAY PLAY IT MUST BE KEPT IN MIND THAT THE EARLY EMPHASIS HERE WILL BE ON NURTURING A SYSTEM THAT WILL LIMITED OFFICIAL USE

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PROVIDE EXPERIENCE IN FOCUSING EXISTING RESOURCES ON A FEW LIMITED AREAS RATHER THAN CREATING NEW INSTITUTION TO DEVELOP AND DIFFUSE TECHNOLOGY PER SE. THUS WE RECOMMEND THAT PROPOSED ROUNDTABLE DISCUSSION BE POSTPONED UNTIL ANCOM SYSTEM IS AUTHORIZED AND U.S. ROLE BECOMES MORE CLEAR.

7. SOTO FEELS THAT APRIL MAY BE TOO EARLY FOR MEANINGFUL ROUNDTABLE DISCUSSIONS ON THE ANDEAN INFORMATION NET SYSTEM. HOWEVER, HE BELIEVES CUH DISCUSSIONS COULD BE USEFUL ONCE THE ANDEAN SYSTEM IS AUTHORIZED AND THE U.S. INPUT IS MORE CLEARLY DEFINED. EMBOFF AGREED TO SEEK FURTHER INFORMATION ON NATURE OF THE STUDY CONTRACTED WITH FMME AND ITS RELEVANCY TO PLANNING DESCRIBED ABOVE.

8. ACTION REQUESTED: IT WOULD BE APPRECIATED IF THE DEPARTMENT WOULD FORWARD AVAILABLE INFORMATION ON THE FMME AND MORE DETAILED DESCRIPTION OF THE STUDIES CONTRACTED.

DECON 3/3/79.
SHLAUDEMAN

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